

Partnerships

Background

Housing New Zealand Corporation (HNZC) is establishing partnerships with iwi/ Māori, the community organisations, local government, the private sector and other providers in order to provide housing that meets local housing needs and contributes to the development of a housing third sector.

The working group identified a number of issues for potential partners that this approach raised and then outlined a way forward for partnership and third sector development.

Issues for third sector and partnerships development

Delivery of social housing

The current approach to delivering social housing is dominated by state housing provision. It restricts the development of alternative housing options and does not necessarily meet the requirements of those who need it. For people unable or unwilling to become homeowners, but not eligible for state housing, there are few social housing options.

Current delivery of social housing does not provide sufficient opportunity for the community to be involved in providing social housing solutions (community can be a geographic, population or need concept). Housing provision is radically different from other social provision that the community provides, in that there is a long lead-in time to providing solutions and in order to make a difference to the community a high level of capital is usually required. This often means that the only viable partner for the community is the government and that the capital provision of the community will always be minor. Currently the community is unable to contribute to the determination of funding priorities and to influence the role of HNZC.

Nevertheless, if HNZC expands its current role beyond the delivery of state housing then a range of possibilities for social housing can be developed. The issue for the government, HNZC and its partners is to determine what that future delivery of social housing will look like.

Partnership

Partnership has many meanings and there may be differences of interpretation between HNZC and its partners. Partners need to be clear what HNZC means by partnership and how partnerships are to be put into practice. Partnership is not the same as a service contract or a commercial joint venture. Partnership implies co-operation between providers, a clear and transparent framework and flexibility to recognise the different needs of partners. A good partnership can create much more than the sum of the individual partners.

Partners may be unequal in terms of power and resources but can make other equally important contributions to a partnership. HNZC should develop a clear understanding of the contributions of community partners. HNZC should be aware that it will take time to develop a partnership and be prepared to help partners develop their capacity.

Values

Partnerships will not work effectively unless they are underpinned by shared and agreed values. Honour, respect, listening, transparency and openness are core values. In a true partnership the outcomes are of mutual benefit. There is equal participation in decision-making and access to information. The relationship is of equal value to the outcomes and money and power do not drive the relationship. There is a willingness to learn and flexibility to respond to different needs.

Resources

The existing housing third sector is small and lacks resources and capacity. The Crown has a fundamental role in ensuring that partners have sufficient funding and resources to develop partnerships. While philanthropic and private sources may be leveraged to support partnership development it is unlikely that this will provide sufficient funding if housing tenants are to pay an affordable rent. Large-scale commercial investment may also restrict the way in which partners deliver housing and the rents that they charge. It is unlikely that many potential third sector partners will have the resources and capacity to get off the ground without Crown support.

Funding and support are needed to help partners develop capacity and for ongoing development of both partnerships and projects. The annual funding cycle and the vagaries of political change restricts the existing approach to government funding. It will take time to grow a viable third sector. During this time there needs to be ongoing funding and some form of protection from political change that will enable the sector to sustain independent growth.

Barriers

Different agendas and inconsistent interpretation of agreements can cause barriers between partners. The lack of an agreed decision-timetable or if it is unclear who has the right to make a decision, can cause conflict between partners. There may be operational impediments to developing the partnership, eg an inappropriate level of accountability, or lack of funds to build capacity. Government may have unrealistic expectations and a lack of champions to push forward the partnerships. Government processes, such as the annual funding cycle, inflexible frameworks and departmental silos, can be an obstacle to partnerships development. At a practical level the geographic distance between agencies and a lack of skills and time make it difficult to get partnerships off the ground.

Drivers for housing partnerships

Housing partnerships are about pathways to housing solutions and should provide a means to develop a new future for social housing. The following drivers should influence the development of housing partnerships:

- creating a stronger, sustainable third sector that sustains partnerships and responds to diverse needs;
- moving people out of poverty, through upgrading of poor housing and the provision of appropriate housing for poor families and individuals;
- encouraging the integration of housing with the lives and communities of the people housed and recognising that housing should be part of holistic approach, eg including education, housing and health;
- supporting development with resources including a housing fund, resource bank, appropriate regulation and planning;

- developing the capacity of tenants to take personal responsibility and have an active role in the process;
- promoting diversity of solutions such as in tenure types, housing design, collaborative ways of working with others, multi-partnership agreements and different models of funding and support;
- enabling a variety of models of social housing and a move away from the division of profit / non-profit, including a change in perception towards social housing;
- changing the role of HNZC to become more of a broker/facilitator;
- focusing on sustainability and solutions for the long haul; and
- supporting improvement by trial projects, evaluation and learning.

The way forward

The working group proposed nine goals for third sector development:

1. The Bank – developing a housing fund/ resource bank using Crown, charity, and corporate resources and the reallocation of existing resources.
2. Innovative funding mechanisms - re-assessing the current allocation of funding, including multi-year funding, relating housing to economic solutions, ie as a percentage of GDP investment, income-related mortgages and credit purchase.
3. Models for housing – developing pilot ownership/management models of partnership, including learning from overseas examples and helping state housing tenants work out their own solutions.
4. Development of third sector – developing with the third sector a funded network of third sector groups to provide a resource base, training and education, web site and lobbying.
5. Research – finding out what has worked as a means to move people out of poverty.
6. Changing role and public view of HNZC –breaking down the existing structure of HNZC so that Government becomes a partner/broker not a controller.
7. Public view of social housing – encouraging a change in attitude of the public towards social housing users through a public education campaign.
8. Standards and sustainability – setting minimum housing standards and rating of homes with incentives for sustainable homes.
9. Different processes and models to meet need – working across government to clarify need and appropriate responses to need, incorporating community-led strategies.

The goals were summarised into a mission statement and five desired outcomes and goals for third sector development, with specific activities to achieve them. It was recommended that the remaining goals be transferred to more appropriate workstreams in the social housing strategy. These are:

- Research into moving people out of poverty (Affordability)
- Research into successful third sector housing models (Research)
- Defining minimum housing standards eg star rating of homes (Research)
- Incentives for sustainable energy efficient homes (Housing and Urban Design)
- Educating the public on changing attitudes towards social housing tenants (Education and Advocacy)

The mission

In order for third sector housing to be sustainable there need to be adequate resources and support in place and housing initiatives must meet a diverse range of needs. This will not be achieved unless the

relevant sectors can work together to make best use of their resources and expertise. This is expressed in the mission for third sector and partnership:

“the housing sector in partnership with the Crown, the philanthropic and private sectors, working together to deliver a range of resourced, supported and sustainable third sector housing solutions.”

There are five outcomes that will contribute to the development of the third sector and the realisation of the mission statement (refer to attached table for summary).

Outcome 1: Alternative sustainable resourcing of third sector partners

Most third sector groups lack financial resources and capacity to develop long-term housing solutions without funding and support from the Crown or other sectors. At the same time third sector groups want to exercise independent management and governance. Groups are wary of the transaction and compliance costs associated with Crown funding and of the vagaries of political change and the annual funding round. They seek alternative frameworks for funding and other resourcing that will enable the third sector to retain its independence and to be sustainable over the long term.

The working group proposed that a centralised housing fund would achieve this outcome: “the Bank”. The Crown and other partners would establish and contribute to the Bank, but it would be run independently of existing Crown housing agencies. The Bank would distribute funding and other resources to third sector groups on the basis of agreed eligibility and accountability criteria.

Outcome 2: A range of housing solutions third sector groups can participate in

Third sector groups represent a diverse range of interests, needs, capacity and size. If an effective housing third sector is to be developed housing solutions need to reflect this diversity. For instance while a housing association model may meet the needs of one group it may not match the aspirations of another or be feasible for a fledgling group with few resources and limited experience.

If the housing solutions are to meet the needs and aspirations of these diverse groups they need to be developed with the third sector and to take into account their views on what are appropriate structures. The Corporation should learn from overseas examples of third sector housing what works well and what could successfully be developed in a New Zealand context. The emphasis should be not only on developing appropriate housing solutions but also on ensuring that they are of good quality and sustainable.

By developing a number of models as pilots HNZC and the housing sector will be able to understand better the potential for third sector development. Evaluation of pilot initiatives should be an essential component of third sector development.

Outcome 3: Strong sustainable third sector housing partners for the Crown

The housing third sector is small, fragmented and diverse. The majority of existing providers have service contracts, eg mental health, emergency housing, that have enabled them to develop capacity and resources. There are few examples of groups providing mainstream housing because of the difficulties of obtaining support and funding.

Third sector housing partners will need assistance to develop capacity and capability. This could be provided as financial support, eg development grants, through sharing of resources, eg secondment, and training. Third sector providers may want to develop peak body organisations to provide

assistance to their members, rather than have support provided by government agencies, eg Healthcare Aoteroa. It is unlikely that private or philanthropic organisations will fund support services and until third sector groups have established capacity the Crown will need to provide funding and resources. However, for support services to be effective and to meet third sector needs, partners rather than the Crown, will need to establish what is required.

Outcome 4: Culture of HNZC changed to be in a better position to partner with the housing third sector

Prior to the creation of HNZC in July 2001 the focus of the then Housing New Zealand was State housing provision. The Housing Corporation New Zealand provided lending on a small scale to individuals and Community Housing Limited provided housing for specialist community groups.

Creating partnerships to provide social housing solutions for groups who are independent of State housing is a new approach for HNZC. Partners want to ensure that HNZC will develop a culture that is committed to working in partnership with the third sector. Unless HNZC can work in partnership with the third sector it is unlikely that third sector partnerships will be either feasible or sustainable.

Outcome 5: Fully maximise the capacity of the existing public rental stock in relation to third sector partnership opportunities.

HNZC is the largest provider of social housing. There is capacity to use the stock to develop partnership opportunities with third sector providers and to involve state housing tenants in working out their own housing solutions. For example specialist housing organisations can use Community Group Housing stock where service providers no longer need it. There is potential for tenant participation in state housing, leading to devolved tenant management.

Specific activities to achieve the desired outcomes

The following activities are proposed as pathways to achieve the desired outcomes:

Activities to achieve Outcome 1

The Corporation with third sector partners:

- to develop innovative funding mechanisms;
- to broker partnerships between Crown, philanthropy and private sector organisations to develop options for an independent housing fund;
- to consider options for multi-year funding to achieve longer term stability of the sector; and
- to develop a strategy and business plan for the development and implementation of a housing fund.

Activities to achieve Outcome 2

The Corporation and sector partners:

- to develop pilot models of partnership;
- to assess current overseas models for fit in New Zealand context;
- to develop pilot ownership and organisational models for third sector housing;
- to develop third sector housing models that have good quality and sustainability; and
- to evaluate and learn from pilot models.

Activities to achieve Outcome 3

Third sector with support from the Corporation to:

- establish a resource base for third sector housing groups, eg guidance materials, information packs, model agreements;
- set up a funded network of third sector groups to provide services, eg advocacy and training for members;
- form training & education partnerships between third sector groups, HNZC and others to provide support and assistance, eg secondment opportunities; and
- set up systems to support third sector networks such as a database of third sector housing providers and a website providing information and resources for third sector housing.

Activities to achieve Outcome 4

The Corporation to:

- develop processes to achieve third sector housing solutions in partnership with the third sector;
- assess the Corporation's partnerships skills through community accountability processes;
- provide assistance and information to the third sector to facilitate their understanding of the processes of government; and
- ensure that cultural change processes make partnerships the core approach of HNZC.

Activities to achieve Outcome 5

The Corporation to:

- consider the allocation of existing resources in order to maximising the capacity of state rental stock in relation to third sector partnership opportunities; and
- work with state house tenants to consider other tenancy management options, including involving tenants in their housing solutions.

Members of the partnership working group

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Libby Clements	National Housing Association
Lyn Hollands	Wellington City Council
David Weinstein	EECA
Clare Ward	Ministry of Housing
Paul Vautier	IHC National Office
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